

REMARKS

The Examiner, in the office action, objected to the specification with respect to the term "APS" is not described. The Examiner is correct in that the APS film is conventional silver halide film for capturing of images. However, APS, which stands for "Advanced Photo System", is a well recognized type of film as placed in a particular type cartridge. In particular, APS cartridges are of the thrust type wherein film can be thrust out of the cartridge by rotating of the core in which the film is secured. The reference to APS has long been in existence, such as illustrated by U.S. Patent 6,104,877 cited by the Examiner which issued prior to the filing date of the subject application. Thus, it is clear that APS refers to a particular type format and system. See also column 1, lines 65-68 and column 2, line 38. Thus, it is clear that the Advance Photo System (APS) has long been in existence and is well understood by those of ordinary skill in the art. APS merely describes a particular type of film and film cartridge construction. APS is indeed a standardized type of film and film cartridge and is clearly understood by those of ordinary skill in the art. In view of the foregoing, Applicants respectfully submit the Examiner withdraw the objection.

The Examiner has also rejected Claims 1-14 under 35 USC § 101 as being directed to non-statutory matter. Applicants respectfully submit that claims 1-14 are indeed directed to patentable subject matter. In particular, claim 1 is directed to a method of conducting business. In particular, the present invention is a method of providing photographic products and services. The first step includes selling of a photographic film product to a customer. The next step is partially exposing the photographic film product. This is typically done by the customer. The next step is returning the partially exposed film product to a photofinisher. The returning of the partially exposed photographic film again is typically done by the customer. The next steps are done by the photofinisher which includes providing credit to a customer for the unexposed portion of the photographic film product. As previously discussed in one implementation of the present invention, APS film is used. A particular advantage of APS film is the ability to expose only a particular number of images without exposing all of the potential images on the film. As is set forth in step a) of the claim, the first step is for selling of the product to the customer. This of course implies and requires selling the product for a particular amount of value (money). The customer then exposes images on the film product. However, if all of the film product is not used, there is the potential for providing credit to the customer for the unexposed portion of the photographic film product. In step d) of claim 1, this is exactly what is provided by the photofinisher in that there is provided a credit to the

customer for goods and services with respect to the unexposed portion of the photographic film product. Thus, there are clearly set forth specific steps that are provided by the customer and photofinisher. It has been well established that business methods are patentable subject matter. Thus, Applicants respectfully submit that claim 1 and its dependent claims are directed to patentable subject matter.

The Examiner rejected claims 1-3 and 11 under 102(e) as being anticipated by Smart et al. In this regard the Examiner particularly refers to the Smart reference as disclosing and providing compensation for unexposed units. In particular, the Examiner refers to claim 1, lines 9 and 10. Applicants respectfully submit that the Examiner has misunderstood this portion of the Smart reference. In particular, as is repeatedly stated throughout the specification, there is provided a predetermined digital compensation with respect to the image that is captured. Claim 1, as specifically set forth, is directed to a method for compensating for film unit defects. Thus, there is a known defect with respect to the film unit and that this information is passed on to the photofinisher so that the images captured can be appropriately compensated for the defect. As set forth in the abstract, "the image quality defect is subjected to compensation by predetermined digital compensation". Clearly, this is directed to compensation to the image that is captured. See also the Summary of the Invention. The compensation provided by the Smart reference is directed to the image. This is in direct contrast to the present invention wherein credit is provided to the consumer. Compensation to the digital image is not the same as providing credit for purchasing goods or services to a customer. In the Smart reference, there is a specifically known defect. The Smart reference is directed to image processing, i.e. the correcting of images directed to capture by a particular film unit. This is in contrast to the present invention wherein monetary or value credit is provided to a customer with respect to unexposed portion of the photographic film product. Clearly, the Smart reference could not teach or suggest the invention as taught and claimed by Applicants. Accordingly, it is respectfully submitted that Claim 1 and the remaining dependent claims are patentably distinct over the Smart et al. reference.

The Examiner also rejected claims 4-10 and 12-14 under 35 USC § 103(a) as being unpatentable over Smart for the reasons set forth therein. As previously discussed, the Smart reference does not teach or suggest the method as set forth in claim 1, and therefore could not teach or suggest or render obvious the dependent claims upon which the subject claims depend at least ultimately. Smart does not provide credit with respect to any unexposed film but is directed to correcting images captured by a particular image product. Thus, it is respectfully



submitted that the Smart reference, for the reasons previously discussed, is of little relevance to the present invention.

In view of the forgoing, Applicants respectfully submit that the claims in their present form are in condition for allowance and such action is respectfully requested.

Respectfully submitted,

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